

August 2022

Exclusively to Clients and Friends
of Advanced Practice Management

BULLETIN



Bill Rossi

DENTAL DOW

First Half 2022

For the mature practices sampled, we found that practice **Production** was up **3.4%** and **Collections** were up **2.4%** compared to the first half of 2021.

Patient Flow as measured by Exams was up 1%. The Production per Patient Exam was up 1.4%.

We show about 7% fewer hours cancelled in Hygiene. Doctor Hourly Production is up 5.3%. Hygiene Hourly Production is up 3.6%.

GOOD NEWS FROM DELTA

No, that's not a typo! Recently, Delta of MN increased fees for both Delta PPO and Delta Premier. For example, Delta Premier increased its Prophies from \$81 to \$89. Delta PPO increased from \$77 to \$81. Overall, the new fees are about a 6% increase.

I've heard Delta of Colorado, Michigan and Indiana also bumped their fees. I haven't heard yet if any other states have seen increases.

This will help as Dentists deal with wage pressure and other increased expenses.

While welcome, this fee increase is long overdue and for most Dentists, there is still a substantial discount. In fact, even the new fees would be not as much as the averages from about 2015 (see below).

By the way, if you are on the Delta PPO level, we strongly advise that you talk to us.

What's Inside:

- The Dental Dow—First Half 2022
- Good News From Delta
- What Year Is Your PPO In?
- You're Going to Paying Top Dollar, So Expect Top Performance
- Effective Perio Co-Diagnosis
- Market Watch

WHAT YEAR IS YOUR PPO IN?

All of us are aware that over the years, PPOs rarely give increases and those that do are rather meager. Meanwhile, reality marches on in dental offices where, especially post Covid, expenses like PPE, wages, etc. have gone up. But even before Covid, clearly PPO fee increases were not at all keeping up with the cost of doing business.

Take a look at what you're getting from the PPOs. Note how they match up to fees historically. My company has been doing fee surveys for over 30 years, so we thought you might find this interesting. (These fees were from the Minneapolis/St. Paul area and pretty representative of the national averages.)

STANDARD FEE SURVEYS (Doctor, compare to your current PPO fee allowances)

	2002	2005	2010	2015
1110 - Adult Prophyl	\$63	\$72	\$85	\$96
0120 - Periodic Exam	\$32	\$38	\$46	\$53
0274 - 4 Bitewings	\$40	\$46	\$55	\$64
2740 - Ceramic Crown	\$802	\$901	\$1,079	\$1,213

Many PPO fee reimbursements are at the 2002 level. That was over 20 years ago! Some of the PPO fees you get may be from before the turn of the century!

We Believe In You!

We believe that Independent Private Practice is the best way to deliver dentistry. It is best for the patients, the doctors and the staff. Private practices can be more selective with their continuing education and technology. They can also be more adaptable and efficient. **Most importantly, the people who make decisions about patients' dental care are the ones in direct contact with them.** We also believe that professional management support helps **good practices be better** and thrive in a competitive environment.



What Are You Going to Do About It?

You can try negotiating with insurance companies, but this is getting to be less and less easy for individual Doctors, especially when you are dealing with umbrella PPO plans. Sometimes the best thing to do is just drop.

If the conditions are right and if you and your team are prepared, you can leave a PPO and keep the majority of the patients. Patients *do* like you for more than your in-network benefits. If you find yourself running around in circles trying to keep up with fees from 20 years ago, you might inadvertently be creating the sort of atmosphere where people can *only* like you for your “in-network status” - not the outcome you want!

So, Doctors, remember you have more power than you think you do. If your patients like and trust you, the out-of-network benefits for most PPOs are good enough to keep most of the patients. For the PPOs that have punitive out-of-network benefits – well, sometimes it’s best to just get it over with and get out of participating with them. If your practice is otherwise healthy, you will be surprised at how well you can “heal up” over any losses. If properly prepared, you will also be surprised at how many patients you keep.

Post-COVID, your team members want “2022 level” pay, maybe you should too...



Bill Rossi

YOU'RE GOING TO BE PAYING TOP DOLLAR, SO EXPECT TOP PERFORMANCE:



Brooke Ackerman
MSDH

Wages for dental personnel are up across the board. Hygiene, especially, has increased fairly dramatically over the last year. It is not unusual to see \$40-\$50 for a starting Hygienist

One of my favorite business quotes is from Peter Drucker,

“Costs are not manageable as costs, per se.

It's much more important to focus on result control than cost control.”

In order to hire and keep hygienists, you have to be willing to meet the market. However, even though you cannot control the market, you can control the results you get.

If we look at the range of pay for hygienists in our metro area, it is from \$37-\$50. If you look at the range of performance (results) the range is much greater, from \$123/hr. to \$206/hr. So, you can focus on trying to keep the hygienists' wag-es down a buck or two (or five!), but you get a much bigger bang for your dollar if you focus on performance.

Hygiene productivity is largely a function of the range and depth of services provided. There are things hygienists can do that can greatly add to patient care and practice productivity that are more difficult to measure (e.g., use of the intraoral camera, co-diagnosis, and helping numb up patients, etc.).

Some hygienists have a very limited “menu” consisting of merely prophies and bitewing X-rays. Highly productive hygienists, however, have a well thought out and expanded menu. This includes procedures and policies such as:

- Fluorides (varnish, rx toothpaste, sdf)
- Non-surgical periodontal therapy (quadrant SRP, localized SRP, ongoing periodontal maintenance)
- Patient specific recare frequency prescription
- Adjuncts for periodontal patients (perio protect trays, irrigation, lasers, site specific antibiotics)
- CBCT/Panos/full-mouth X-rays
- Digital wellness scans
- Sealants and restorative functions
- Whitening
- Oral Cancer Screening (e.g. VELscope, etc)
- Nutritional counseling, Caries Risk Management

In no way are we suggesting you pressure the hygienists to pressure patients to upsell them at every turn. We found the best approach is through **Clinical Calibration**. By clarifying what you feel is in the patient's best interest and keeping up with the science, your hygiene team will automatically start delivering a greater range and depth of services. Nothing like "quotas" are needed if you're using **criteria**, your criteria.



Brooke Ackerman
MSDH

EFFECTIVE PERIO CO-DIAGNOSIS:

Prior to beginning the assessment portion of the hygiene appointment, it is essential to explain to the patient what you will be doing and why. This allows the patient to be a part of the decision-making process and will aid in treatment acceptance.

"I'm measuring the natural space between your tooth and gums in millimeters with a small ruler. Numbers ranging from 1-3 are considered healthy. If you hear me call out a 4 or higher that means you have inflammation and/or infection in your gums."

Always say the numbers out loud and sit the patient up after assessment to go over findings. Patients will now be actively listening for numbers which indicate infection and will be asking you for your recommendations based on what they just heard. By involving patients in their periodontal assessments, presentation of periodontal therapy is simplified.



Matt Lahn

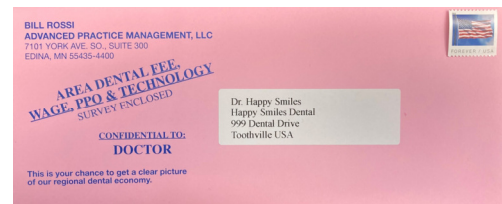
MARKET WATCH:

The Consumer Price Index for all urban consumers (CPI-U) increased 1.3% in June. Over the last 12 months, the All Items Index increased 9.1% before seasonal adjustment. **The same agency reported that dental services increased 1.9% in June, the largest monthly change for those**

services ever recorded since they began tracking such numbers in 1995.

Bruce Downey, President of Gateway Bank says; "Interest rates have certainly increased from a year ago and even from the beginning of 2022. The Wall Street Journal Prime Rate has gone from 3.25% in February to 5.50% currently and fixed rates have gone from starting with a 3 three years ago to starting with a 5 today, (practice purchase rates for 5-year fixed loans are often at prime). Keep in mind that these rates are still historically very good."

IT'S FEE & WAGE SURVEY TIME!
Watch for this pink envelope in your mailbox around September 1st:



Our 42nd Annual Fee, Wage & Marketplace survey is in process and will be mailed in early September. **Please participate and encourage your colleagues to do so too!**

Your Team at APM



OUR TEAM IS YOUR TEAM!

Advanced Practice

MANAGEMENT and TRANSITIONS

YOU ARE JUST 20 MINUTES AWAY FROM A GREAT YEAR!

PPO DECISIONS

Strategically and safely cut back and push
back on PPOs.
Add \$1000's to your bottom line.

PRACTICE TRANSITIONS

Appraisals, opportunities, sales, and more.
We do it right!

HYGIENE TUNE - UP

Empower the hygiene team and lift
your whole practice

PRACTICE MANAGEMENT

Happy patients means more patients.
Top notch service from the patients' first
phone call on.

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MANAGEMENT and TRANSITIONS



Bill Rossi



Shelly Ryan



Matt Lahn



Brooke Ackerman



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